

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS

Release No. 2612/April 30, 2015

ADMINISTRATIVE PROCEEDING

File Nos. 3-16311, 3-16312

In the Matters of

RELIANCE FINANCIAL ADVISORS, LLC,
TIMOTHY S. DEMBSKI, AND
WALTER F. GREENDA, JR.
SCOTT M. STEPHAN

ORDER REGARDING RESPONDENT
DEMBSKI'S ADVICE OF COUNSEL
DEFENSE

The Securities and Exchange Commission instituted these proceedings on December 10, 2014. A hearing is scheduled to begin on May 11, 2015, at the Thurgood Marshall United States Courthouse, 40 Foley Square, New York, New York, in Courtroom 1505.

On April 29, 2015, I issued an Order setting various requirements regarding any advice of counsel defense (Defense) to be asserted. *Reliance Fin. Advisors, LLC*, Admin. Proc. Rulings Release No. 2606, 2015 SEC LEXIS 1619. That same day, this Office received a letter from Timothy S. Dembski's counsel requesting confirmation that a transcript of a phone call between Dembski and the law firm Holland & Knight "in fact is or can be included in the list of potential exhibits at the hearing" to support Dembski's Defense (Request). Request at 1. The Division of Enforcement sent this Office a letter in opposition that same day, noting that the Request is untimely and that the transcript and recording neither support the Defense nor were included in the Division's exhibit list and cannot now be introduced as an exhibit.

I have no reason to doubt Dembski's contention that he was operating under a good faith belief that the evidence of advice of counsel was to be heard at the hearing. Indeed, the Division identified Dembski's former counsel in their witness list, and Dembski reasonably anticipated the opportunity to cross-examine counsel using the transcript. Whether or not the evidence and testimony support the Defense is an issue I will decide on the merits after the close of evidence. Therefore, I GRANT Dembski's Request.

To ameliorate any prejudice, the Division may designate additional exhibits and witnesses regarding the Defense by May 7, 2015. All other prehearing deadlines I have previously set shall remain in effect.

Jason S. Patil
Administrative Law Judge